

MINUTES

**Board of Directors of the
Houston Ship Channel Security District**

**Houston, Texas
September 11, 2012**

The regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on September 11, 2012 at 2:00 p.m. The meeting was held, open to the public, at West Gulf Maritime Association (WGMA), Board Room, Third Floor, 1717 Turning Basis Drive, Portway Plaza Building, Houston, Texas 77029 in accordance with the duly posted Notice of Public Meeting. The roll was called of the officers and members of the Board, as follows:

Lewis A. Brown
Clayton Curtis, Treasurer
Richard Henderson
Charles (Chuck) King
Jake Leavins
Robin Riley, Chair
Gary Scheibe
Tom Schroeter, Secretary
Mike Stewart – Assistant Secretary
Steve Stewart
Ray Yellig, Vice Chair

and all of said persons were present, except Director Curtis, Director Henderson and Director King, thus constituting a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, CAPT. Bill Diehl and Al Cusick of the Greater Houston Port Bureau (“GHPB”), Administrator for the District, RADM Tim Sullivan on behalf of The Chertoff Group, and C. B. Stevens from ACU Consulting.

Item 1: - Call to Order

The meeting was called to order at 2:00 p.m.

Chair Riley asked the Board for a moment of silence to acknowledge lives lost on this day in 2001.

Item 2: - Appearances

Chair Riley asked if anybody wished to address the Board. LCDR Shannon Pitts, Sector Houston Galveston, United States Coast Guard (USCG) advised the Board that the USCG would be holding a security exercise on February 26 and 27, 2013 regarding radiation leakage. She advised that the testing site has not been selected at this time. The first planning meeting for the exercise is set for October 11, 2012, at which time exercise concepts and objectives will be discussed. The planning meeting will be held at the USCG Sector Houston/Galveston facility.

Item 3: - Discussion and possible action regarding meeting of September 10, 2012 with Commissioner Morman

Chair Riley informed the Board that Director Steve Stewart, Director Schroeter, the Executive Director for EHCMA, RADM Tim Sullivan, Jayson Ahern of The Chertoff Group and himself,

met with Harris County Commissioner Jack Morman and members of his staff on September 10, 2012 to discuss the proposed revisions to the boundaries of the District. He stated that the meeting went very well and that the District would be preparing a presentation on the proposed boundaries for Harris County Judge Ed Emmett.

Approval of the Minutes

Chair Riley asked for the approval of the minutes of the May 22, June 5, June 12 and July 10, 2012 Minutes. Director Brown moved that the minutes of said meetings be approved, as presented, and Director King seconded the motion, which passed unanimously.

Item 4: - Status Report – Greater Houston Port Bureau

4.1 CAPT. Diehl presented a written monthly status report to the Board, a copy of which is attached hereto as EXHIBIT A. He advised that the District has collected 25% of the 2012 assessment installment payments to date. He also advised that two smaller businesses have called to inform the GHPB they may be going out of business. Assessments are due and payable by November 1, 2012.

CAPT. Diehl next advised that the Marriott Houston South has been secured as the venue for the Annual Meeting and Luncheon in November. He stated that the feedback he has received from facility owners is that they would like to hear a “State of District” presentation at the Annual Meeting and have the opportunity to ask questions or provide comments regarding same. He suggested that Harris County and the City of Houston consider providing a presentation regarding the security projects and services being financed with the funds those entities are receiving from the District. It was decided that the Board would hold their regular November meeting on November 4, 2012, and that the Annual Meeting be held on November 8, 2012 at 9:00 a.m., with the luncheon and program to commence at 11:30 a.m.

4.2 Status of and potential approval or other action regarding 2011 Annual Report: The Annual Report was presented to the Board, a copy of which is attached hereto as EXHIBIT B. CAPT. Diehl advised the Board that the Report, once approved, will be posted on the District’s website. CAPT. Diehl asked for any comments. There were none. Director Steve Stewart moved and Director Brown seconded that the Annual Report be approved. Motion passed unanimously.

4.3 Update regarding Round 12 Port Security Grant Program: CAPT. Diehl informed the Board that the GHPB was notified on June 29, 2012 that the District’s port security assessment plan update project was selected for funding, and anticipate an Award Date of September 30, 2012. He suggested to the Board that they need to begin the process of developing a RFP for the selection of a company to execute the project.

4.4 Discussion of nomination and appointment schedule for Zone Directors: CAPT. Diehl advised that GHPB will send out the notice of Request for Candidates for Zone Director on October 15, 2012. He also advised the GHPB is planning on having the nomination process complete in early December such that the result of the nomination voting can be presented to the Harris County Commissioners Court on December 18, 2012 for their approval and appointment of the relevant Zone Director positions.

4.5 Status of and possible action regarding Port Bureau implementation of the PIER site. CAPT. Diehl advised the Board that the GHPB staff had met with Chuck Wolf to begin transfer of the PIER System to operation by the GHPB; they were looking into using the PIER system for the balloting process during the nomination of Zone Directors and were currently considering revising the HSCSD website and transferring it to PIER.

Director Steve Stewart moved and Director Brown seconded that the Board approve the report and authorize all actions contained therein; motion passed unanimously.

5. The Chertoff Group

5.1 Status report from Chertoff Group; possible action relative to report and recommendations: RADM Tim Sullivan informed the Board that The Chertoff Group has provided its written recommendations regarding District boundary revisions and is continuing to work on the remaining deliverables. He advised the target date for delivery of the remainder of the work is early November. Chair Riley informed the Board that The Chertoff Group was working with a subcommittee of the Board consisting of Chair Riley, Director Schroeter, Director Yellig, Director Curtis and Director Scheibe. Director Scheibe commented that he encourages members of the public, Harris County personnel and City of Houston personnel to provide their input to The Chertoff Group on the future and direction of the District to enhance the deliverables provided by The Chertoff Group.

Item 6: - City of Houston

6.1 Update on air support patrols by City of Houston;

Mr. Dennis Storemski stated that air patrols were ongoing. He advised he would furnish a statement of zones patrolled with the dates and times and number of hours per shift and submit a monthly report to the Board next month and on an ongoing basis.

Item 7: - Harris County

7.1 Discussion and possible action on Amendment to Funding Agreement with Harris County: Mr. Ringold informed the Board that a draft of the proposed amendment was sent to County and Board members for review and comment on September 10, 2012. He advised that SPH is waiting on information from the Harris County Sheriff's Office regarding the additional cost for extension of coverage of the DATS camera monitoring night shift to complete the amendment. He also noted that should the County want the District to fund the costs to run fiber optic cable to the new USCG facility for remote camera monitoring at that location, this amendment would be an appropriate place to address same. Mr. Doug Adkinson of Harris County (County Judge's Office) so made the request and Mr. Greg Karr of Harris County (Traffic) discussed the anticipated engineering and construction costs relative to same. The Board deferred taking action on this item at this time.

7.2 Discussion and possible action on Harris County Request for Pre-Authorization to enter into Maintenance Agreements totaling approximately \$288,470.90. The Board deferring taking action on this item until such time as the amendment to the District's funding agreement with the County is approved to cover the time periods for the various proposed maintenance agreements.

7.3 Update of vehicle transfer from Harris County to surrounding agencies: Deputy Diaz informed the Board that he had received a Memorandum of Understanding (MOU) from Galena

Park, and was waiting for the MOU from Baytown and Port of Houston Authority. Upon receipt of same, he advised the Harris County Legal Department will inset the VINs in the MOUs and forward them to FEMA for their approval.

7.4 Discussion and possible action on operation and maintenance invoices from Harris County: Invoices were presented to the Board in the amount of \$33,402.89 from Harris County. Director Schroeter asked for back-up paperwork for the invoices. Mr. Cusick informed Director Schroeter that he would forward that information to him. Director Brown moved and Director Leavins seconded that the invoices be approved; motion passed unanimously.

7.5 Update regarding Harris County ITC Department video/sensor project. Mr. Chaney passed out hand held Lex 700 Broadband devices showing Port video for the Board to review. He stated that, by the next Board meeting, all maintenance will have been transferred to Harris County PID. Mr. Chaney plans to show the membership the Lex 700 Broadband devices at the Annual Meeting.

7.6 Discussion and possible action regarding provision by Harris County of a Service Delivery Module: It was requested by the Board that the Harris County Sheriff's Office furnish to the Board reports regarding the camera monitoring activities. Major Wong stated that this would be done, but asked that the report be presented in Executive Session.

Item 8: - HSCSD Attorney

8.1 Remove from Table – Discussion and possible action regarding Amendment to District Bylaws: Director Schroeter moved and Director Yellig seconded that this item be removed from the table. Motion passed unanimously. Mr. Ringold explained the basic changes to the Bylaws to the Board. Director Brown moved and Director Leavins seconded that the amended Bylaws be approved. Motion passed unanimously.

8.2 Remove from Table – Discussion and possible action on adoption of Records Retention Schedules; appointment of a Records Management Officer, and adoption of a Resolution in connection therewith: Director Mike Stewart moved and Director Yellig seconded that this item be removed from the table. Motion passed unanimously. Mr. Ringold stated he had received no comments on this item and no changes had been made from the materials provided to the Board prior to last month's meeting. He stated that the documents have been drafted to appoint the Board Secretary as the Records Management Officer (RMO). Director Schroeter suggested that Mr. Cusick of the GHPB serve as the RMO. Mr. Ringold advised he would review the Governmental Records Act ("Act") to confirm that the office of RMO may be delegated to someone other than a member of the governing body. Director Schroeter moved and Director Mike Stewart seconded that the Board approve the adoption of the Records Retention Schedule and Resolution in connection therewith and that Mr. Cusick be appointed RMO of the District if same is permitted by the Act. Motion passed unanimously.

Item 9: – Remove from Table – Discussion and possible action regarding attendance and participation at Gulf Ports Association meeting on November 14, 2012 in New Orleans

Director Schroeter moved and Director Steve Stewart seconded that this item be removed from the table for discussion. Motion passed unanimously. Director Schroeter informed the Board that Ms. Younger had asked that a representative from the District give a presentation at the Gulf

Ports Association (GPA) meeting on November 14, 2012 in New Orleans. He stated that there was no money in the GPA budget for travel and other related expenses. He did advise that Ms. Younger had stated that the District representative would be able to attend the Seminar at no cost. Director Scheibe stated he felt that the seminar would be an opportunity for the Board to inform other Ports about the District. Director Mike Stewart moved and Director Leavins seconded that Director Scheibe represent the District at this meeting and that the District reimburse Director Scheibe for reasonable expenses. Motion passed unanimously.

Item 10: - Report and Discussion regarding DHS Office for Bombing Prevention Training Unit Courses

Kerry Spaulding from the Department of Homeland Security (DHS) gave a brief overview of the courses that DHS would be offering in the future. He stated that Harris County Sheriff's Office had provided a training facility for several of the courses offered, and DHS is looking for other venues to hold training courses. He advised that DHS covers the cost of the training, with the exception of the cost of training aids used, which is approximately \$1,000. Chair Riley recommended that Zone Directors pass this information on to facility security officers and other security representatives of the facilities within their respective zones. Director Schroeter asked for a list of all courses. Mr. Spaulding announced that there was a 60-90 day target window to respond. A discussion ensued regarding the District sponsoring a training course for all interested facilities within the District. Board members were asked to give target dates to Mr. Spaulding and bring the dates to the October meeting.

Item 11: Discussion and possible action regarding expenditure of purchase of decals for patrol vehicles.

Mr. Cusick informed the Board that the cost of the decals should be approximately \$20.00 per decal. (Jan – Wasn't there action to approve the purchase of the District decals for the cars/trucks?)

Item 12: - Discussion and possible action regarding actions to provide information to District members and other stakeholders, including, among other things, a Security District newsletter (electronic, quarterly or otherwise)

Discussion was held regarding this matter. The Board felt very strongly that members of the District need to be informed on a regular basis regarding what was transpiring in the District. Director Brown moved and Director Michael Stewart seconded that the District members be sent a quarterly newsletter updating them on current activities. Motion passed unanimously. GHPB was tasked with assembling the newsletter on a quarterly basis.

Item 13: - Executive Session

Chair Riley announced a 10 minute recess at 3:15 p.m., after which the Board would immediately convene in Executive Session at 3:25p.m.. Director Schroeter read the following statement:

“The Board of Directors of the Houston Ship Channel Security District will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code Section 551, Subchapter D, to deliberate regarding any of the following:

- A. Consultation with attorneys, including legal issues concerning discussion of contract terms in contracts with Harris County.
- B. Deliberation regarding deployment and implementation of security services and projects, including:
 - i. Update on Harris County Security Projects including Operations Monthly (to include reports on water and land patrols)
 - a. Report from Harris County Sheriff's Office
 - b. Report from ITC Department
 - c. Status of cameras
 - ii. Status of redistribution of grant-funded vehicles to partner agencies
 - iii. Potential security projects under Round 12 of the DHS/FEMA Port Security Grant Program and Plan of Assessment
- C. Deliberation regarding security audits, including report by Chertoff Group regarding status of its security assessment work and findings.

Pursuant to the Government Code, Section 551, Subchapter E, the closed meeting shall be recorded. The Board will reconvene in public session after the closed meeting is adjourned.”

Item 14: - Reconvene in Open Session and take any action regarding items discussed in Executive Session

At 4:40 p.m. the executive session was closed and the Board reconvened in open session. Chair Riley asked the Board if there were any matters that would be coming out of closed session. Director Scheibe moved that the Board approve the expenditure of \$60,000.00 for engineering services, fiber design and layouts for fiber optic cable to be available for remote monitoring of landside/waterside surveillance system for the USCG Ellington Field facility. Director Schroeter seconded the motion. Director Mike Stewart asked that the motion be amended so that Harris County would provide a detailed estimate of the cost. It was so amended. Motion passed unanimously. Director Mike Stewart moved that Mr. Ringold revise the wording in Exhibit A to the proposed Amendment to the Agreement with Harris County to include the following line item in Section IV under “Operations & Maintenance: HC Public Infrastructure Department:

Engineering/Installation of fiber optic cable and associated
infrastructure to allow for remote monitoring of Landside/Waterside
Surveillance System from USCG Ellington Field facility

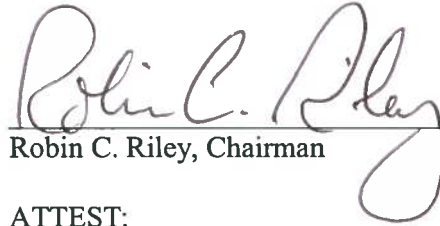
a. Engineering Services – Fiber Design, Layouts, RR Agreement, TxDOT Coordination, Etc.	\$60,000
b. Construction Costs (Including equipment)	<u>\$310,000</u>
<i>Subtotal</i>	<u>\$ 370,000</u>

And that Harris County provide the Board with monthly progress reports. Director Scheibe seconded the Motion. Motion passed unanimously.

Item 15: Adjourn

There being no further business coming out of Executive Session, Director Yellig moved and Director Scheibe seconded the meeting adjourn. Motion passed unanimously. Meeting adjourned at 4:50 p.m.

The above is a correct copy of the Minutes of the September 11, 2012, meeting of the Board of Directors of the Houston Ship Channel Security District.



Robin C. Riley, Chairman

ATTEST:



Thomas G. Schroeter, Secretary

List of Attachments

Exhibit A. Greater Houston Port Bureau Monthly Administrative Report

Exhibit B. 2011 Annual Report